



# Valley Clean Energy CAC Meeting – February 25, 2021 via Webinar

## Item 8 – Legislative Bills (SB612 and AB843)





# Public Comments

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# Item 8 - SB 612 (Portantino)

**Bill Proposal:** Add new sections to the Public Utilities Code to ensure fair and equal access to the benefits of legacy resources and ensure resources held in IOU portfolios are managed to maximize value for all customers.

Specifically, this proposal:

1. Provides IOU, CCA, and direct access customers equal right to receive legacy resource products procured on their behalf if they pay full cost of those products.
2. Requires the CPUC to recognize the value of GHG-free energy and new products in assigning cost-responsibility for above-market legacy resources, in the same way value is recognized for renewable energy and other products.
3. Requires IOUs to offer any remaining excess legacy resource products not taken by IOU, CCA, or direct access customers to the wholesale market in an annual solicitation.
4. Requires each IOU to transparently solicit interest from legacy resource contract holders in renegotiating, buying out, or otherwise reducing costs from these contracts.

# Item 8 - SB 612 (Portantino)

## Background:

- CalCCA has been working in a CPUC to help identify the “structures, processes, and rules governing portfolio optimization that the Commission should consider in order to address excess resources in the utility portfolios” and how to improve “management of the utilities’ portfolios in response to departing load in the future in order to minimize further accumulation of uneconomic costs.”
- A Working Group process was established at the CPUC with three co-chairs representing the affected load serving entities (CCAs, IOUs, and direct access providers): CalCCA, Southern California Edison (SCE), and Commercial Energy (CE).
- After 10 months of collaborative and extensive resource investment that included four workshops and two progress reports, the co-chairs filed a final consensus report in February 2020. The Commission final decision was expected by June 2020. As of February 1, 2021, the Commission has taken no action towards adoption of the final consensus report.

# Item 8 - SB 612 (Portantino)

## What's Next:

- Building coalition of support
  - Local jurisdictions
  - Project developers
  - Other community partners
- Committee hearing in Senate Energy in April

# Item 8 - AB 843 (Aguiar-Curry)

**Bill Proposal:** Allow CCAs to voluntarily seek CPUC approval of contracts for bioenergy projects procured through the feed-in-tariff established in the BioMAT program.

Specifically, this proposal:

1. Authorizes load-serving entities (LSEs) to purchase electric generation via the feed-in-tariff established in Section 399.20 of the Public Utilities Code.
2. Authorizes CCAs to voluntarily submit eligible bioenergy contracts for cost recovery if open capacity exists within the 250MW program limitation established in the statute.
3. Allows for the resources procured via the program to count toward a CCA's RPS and RA requirements.

# Item 8 - AB 843 (Aguiar-Curry)

## Background:

- Legislation enacted in 2012, SB 1122 (Rubio) created the BioMAT program which requires the three large IOUs to collectively procure 250MWs of bioenergy. PG&E's share is 111MW.
- The resources mandated to be procured were divided into three categories:
  1. Category 1: Biogas from wastewater treatment, municipal organic waste diversion, food processing, and co-digestion.
    - 30.5MW for PG&E | 28MW remaining
  2. Category 2: Dairy and other agricultural bioenergy.
    - 33.5MW for PG&E | 13.4MW remaining
  3. Category 3: Sustainable forest management byproducts bioenergy.
    - 47MW for PG&E | 36MW remaining
- CCAs such as MCE and Pioneer approached the CPUC seeking the ability to procure under BioMAT. The CPUC was supportive of including CCAs in BioMAT but said the statute did not explicitly include CCAs so they CCAs could not access the BioMAT without a statutory change.

# Item 8 - AB 843 (Aguiar-Curry)

## What's Next:

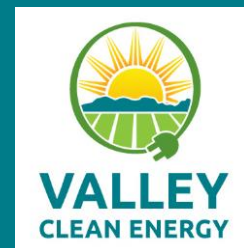
- Build coalition of support
  - Bioenergy Association of CA – Pledged Support
  - CA Association of Sanitation Agencies – Pledged Support
  - Individual Sanitation Agencies have pledged support
- Committee hearing in Assembly U&E in April





# Valley Clean Energy CAC Meeting – February 25, 2021 via Webinar

## Item 10 – New Building Electrification Policy





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# Item 10 – New Building Electrification Policy

## Background & Purpose

- Programs Task Group researched programs for the VCE territory that would encourage electrification of homes and businesses.
- The task group reviewed new building electrification policies and actions that can be taken by cities and counties<sup>1</sup>.
- New building electrification is consistent with VCE's strategic plan goal of decarbonization.
- Gathered input from the CAC in January and developed recommendations to take to the VCE Board in March.

1) Retrofitting existing homes/buildings from gas to electric can be a costly and complicated.



# Item 10 – New Building Electrification Policy

## Benefits

- Lower CO2 emissions.
- Lower construction and ongoing costs<sup>1,2</sup>.

Bldg Prototype	Construction Savings	Operational Savings
Single Family	<= \$5,349	\$4,416
Multifamily	<= \$2,337	\$1,864
Office	\$82,330	\$52,738
Retail	\$24,111	\$22,661
Hotel	\$1.3 million	\$1.24 million

- Better indoor air quality and improved safety.

- 1) Cost studies conducted by CEC and local jurisdictions. Several industry sponsored studies suggest potential cost increases – staff report provides add'l detail.
- 2) Table from Menlo Park study.



# Item 10 – New Building Electrification Policy

## Approaches Adopted by Local Jurisdictions

- Electric preferred reach code<sup>1</sup>
  - Builder incentives to eliminate gas through Title 24 process
- All electric required reach code<sup>1</sup>
  - All energy needs met with electricity, some exceptions
- Natural gas ban (local ordinance)
  - Gas hookups are prohibited, some exceptions
- Approx. 40 municipalities (cities and counties) have taken one of the above approaches<sup>2</sup>.



1) Local building energy code that “reaches” beyond the state minimum requirements for energy use in building design and construction – requires cost effectiveness analysis.

2) See table on pg 4-5 of Staff Report on this item for specific actions by several jurisdictions<sup>13</sup>

## Actions by CCAs<sup>1</sup>

- MBCP (3CE)
  - Offering reach codes incentives (15K) to cities in service area and grants for developers of all electric multi-unit dwellings.
- SVCE
  - Has web page on advantages of all electric buildings
  - In their decarbonization roadmap they list encouraging reach codes for electricity in new buildings by member cities as a major approach (page19)
- PCE
  - Has award programs for design of all electric commercial and residential buildings. The top award for commercial will be 3K and that for residential will be 1K. All awardees will be featured on PCE website and social media.
  - Has a web page to defining REACH codes
- Coalition of PCE, SVCE and San Mateo Office of sustainability has coalition on all electric new buildings.

1) Utilities and municipalities position can be found on page 6-7 of the Staff Report.

# Item 10 – New Building Electrification Policy

## Recommendation

- CAC support the following actions by VCE:
  - (1) adoption of a policy supporting and encouraging electrification of new buildings
  - (2) sharing information regarding new building electrification broadly with the member jurisdictions upon request
  - (3) joining the Building Decarbonization Coalition [join \(buildingdecarb.org\)](http://buildingdecarb.org) at the General level (free to gov't organizations).

# Item 10 – New Building Electrification Policy

## Future Considerations

1. A webpage with general information on new building electrification; depending on member jurisdiction needs.
2. Incentives (reimbursements) to member jurisdictions that adopt new ordinances relating to new building electrification.
3. Sponsorship of a recognition program for both new residential and commercial all-electric projects in the VCE territory. Provide publication of the awardees on VCE website and social media. Also consider small bill credit awards.





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**Item 11 – SACOG Electrify Yolo Grant Update**





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# Item 11 – SACOG Electrify Yolo Grant Update

## Background

- **December 2018** - SACOG authorized the award of a Green Region grant in the amount of **\$2,912,000** to VCE and City of Davis, representing the regional “Electrify Yolo” Project
  - Each jurisdiction agreed to 11.47% match in non-federal funds
- **December 2019** - SACOG approves fund swap approved with City of Davis Transportation I-80 Project
  - Each jurisdiction will manage their own projects
  - **City of Davis** to distribute funds to each entity once MOUs are approved

## Purpose

To install public networked Electric Vehicle (EV) charging stations in region

# Item 11 – SACOG Electrify Yolo Grant Update

## Context

- MOU finalizations delayed due to **COVID-19**
- Although not previously included in the SACOG application, VCE identified highway corridor in Winters as an optimal location for additional EV charging stations
- **VCE** is coordinating with **City of Winters** to install EV chargers adjacent to Winters Hotel by 2021
- All projects to be finished by **12/31/2023**





# Item 11 – Jurisdictional Update

## City of Davis

- Signed MOU between the City of Davis and VCE – 1/2/2021

## City of Woodland

- Reevaluating this quarter (as of 2/22/2021)

## City of Winters

- Winters City Council unanimously approved the VCE/Winters MOU – 9/1/2020
- Two chargers to be installed July/August timeframe (as of 1/25/2021)

## Unincorporated Yolo

- 7 sites under assessment, Chargepoint assessing sites and installation (as of 2/22/2021)